Inability to infuse funds for revival of viable NJMC mills

4097. SHRIMATI CHANDRA KALA PANDEY :
SHRI DIPANKAR MUKHERJEE :

Will the Minister of TEXTILES be pleased to state :

(a) whether in a joint meeting convened by IIBI on 20th June, 2001, Ministry of Textiles had expressed inability to infuse any funds for the revival of viable NJMC mills;

(b) if so, the reasons therefor, when the Government is committed to revive sick PSUs which are viable;

(c) whether the same yardstick was applied to viable textile mills of NTC; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI V. DHANANJAY KUMAR) : (a) Yes, Sir.

(b) The BIFR, in its hearing held on February 23, 2001 concluded that NJMC was not likely to make its net worth positive within a reasonable time, while meeting all its financial obligations. The Bench while issuing of show cause for winding up the company also suggested that the possibility of revival of the mills in private sector should be explored. A techno-economic viability study undertaken by IIIRA however, indicated that only three units of NJMC can be revived, that too in private sector. With a view to protect employment and to safeguard interests of the workers, it was submitted before BIFR that all the six units may be offered, in order of preference to workers' cooperatives first, failing which to State Governments, public sector/private sector for running these mills. The proposal provides to protect the interests of permanent workers. The BIFR in its last hearing held on 27-06-2001 has accepted the above proposal of Government and directed Operating Agency (IIBI) to prepare a draft revival Scheme.

(c) and (d) Yes, Sir. In the case of the sick subsidiaries of NTC, the approach of the Government is to revive only the revivable mills and close the non-revivable mills. The Operating Agencies, under orders of BIFR had advertised for privatisation of all sick, NTC subsidiaries/mills in 2000.